ABSTRACT OF THE DISCLOSURE

An short message service switching private branch exchange system and a method can reduce costs. The method can include certifying whether a usable DSP exists or not when an office line and a speech path are connected to each other, and transmitting an short message service signal transmitted from the office line to the DSP through a PCM channel if the usable DSP exists. A main processor of the private branch exchange can certify an extension line terminal that will receive short message service, generate an short message service signal having a format corresponding to a kind of the extension line terminal by using the DSP, and transmit the formatted SMS signal to an extension line interface unit of a corresponding extension line terminal. The system switches an SMS signal between an office line and an extension line by sharing the DSP, for example, by time division.